

THE ECONOMIC REVOLUTION

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main characteristics which were to distinguish it till the advent of steam-power and machinery could already, though faintly, be descried. The door that remained to be unlocked was colonial expansion, and forty years later the first experiments in colonial expansion had begun*

The phenomenon which dazzled contemporaries was the swift start into apparent opulence, first of Portugal and then of Spain. The nemesis of parasitic wealth was not discerned, and it was left for the cynical rationalism of an ambassador of that commercial republic, in comparison with whose hoary wisdom the new plutocrats of the West were meddlesome children, to observe that the true mines of the Spanish Empire lay, not in America, but in the sodden clay of the water-logged Netherlands.^ The justice of the criticism was revealed when Spain, a corpse bound on the back of the most liberal and progressive community of the age, completed her own ruin by sacking the treasury from which, far more than from Potosi, her wealth had been drawn. But the beginnings of that long agony, in which the power-house of European enterprise was to be struck with paralysis, lay still in the future, and later generations of Spaniards looked back with pardonable exaggeration on the closing years of

Charles V as a golden age of economic prosperity. Europe as a whole, however lacerated by political and religious struggles, seemed to have solved the most pressing of the economic problems which had haunted her in the later Middle Ages. During a thousand years of unrelenting struggle with marsh and forest and moor, she had colonized her own waste places. That tremendous achievement almost accomplished, she now turned to the task of colonizing the world. No longer on the defensive, she entered on a phase of economic expansion which was to grow for the next four hundred years, and which only in the twentieth century was to show signs of drawing towards its close. Once a year she was